

**GRANT PARISH FIRE PROTECTION
DISTRICT NO. 5
Pollock, Louisiana**

**FINANCIAL STATEMENTS
December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/24/11

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
FINANCIAL REPORT
As of and for the Year Ended December 31, 2010

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Independent Accountant's Review Report

Board of Commissioners
Grant Parish Fire Protection District No. 5
Pollock, Louisiana

I have reviewed the accompanying financial statements of the governmental activities and the major fund of Grant Parish Fire Protection District No. 5, a component of the Grant Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the Grant Parish Fire Protection District No. 5's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation in accordance with governmental accounting principles generally accepted in the United States of America set by the Governmental Accounting Standards Board and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require me to perform procedures to obtain limited assurance that there are not material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements of the Grant Parish Fire Protection District No. 5 for the year ended December 31, 2010, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated June 22, 2011, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information, on pages 4 through 7, and 26 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

Deborah D. Dees, CPA

Mansfield, Louisiana
June 22, 2011

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
December 31, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Grant Parish Fire Protection District No. 5's (Fire District) annual financial report presents the narrative overview and analysis of the Fire District's financial performance as of and for the year that ended on December 31, 2010. We, as management of the Fire District, encourage readers to consider the information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The Fire District was determined to be a component unit of the Grant Parish Policy Jury. The accompanying financial statements present information only on the funds maintained by the Grant Parish Fire Protection District No. 5.

FINANCIAL HIGHLIGHTS

The Fire District experienced an increase in its net assets by 5.47% (\$32,500) during the year ended December 31, 2010. At year end the assets of the Fire District exceeded its liabilities by \$627,110.

- Grant Parish Fire Protection District No. 5's total revenues increased \$7,280 or 3.37% from the year ended 2009.
- Grant Parish Fire Protection District No. 5's total expenses increased \$23,422 or 13.99% from the year ended 2009.

OVERVIEW OF FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the basic financial statements which include government-wide financial statements and fund financial statements. These two types of financial statements present the Fire District's financial position and results of operations from differing perspectives, which are described as follows:

Government-Wide Financial Statement

The government-wide financial statements report information about the Fire District as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Fire District's assets and all of its liabilities. All of the Fire District's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by property taxes and intergovernmental revenues that include fire insurance rebates, state revenue sharing and grants.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Fire District's most significant activities and are not intended to provide information for the Fire District as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Fire District's funds are limited to its general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Fire District's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
December 31, 2010

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the funds financial statements.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Grant Parish Fire Protection District No. 5 adopts an annual budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate budgetary compliance.

FINANCIAL ANALYSIS OF THE FIRE DISTRICT AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2010, The Fire District's assets exceed its liabilities by \$627,110 (net assets).

At December 31, 2010, \$194,888 or 31% of the Fire District's net assets reflects its investment in capital assets with a historical cost of \$1,122,1489 less accumulated depreciation of \$927,261. These assets are not available for future spending.

Unrestricted net assets of \$432,222 or 68.92% of total net assets as of December 31, 2010, may be used to meet the ongoing obligations to the citizens of Grant Parish Fire District No. 5.

A Summary of Statement of Net Assets is as follows:

| ASSETS | Governmental Activities | |
|--|-------------------------|------------|
| | 2010 | 2009 |
| Cash | \$ 280,625 | \$ 213,929 |
| Ad valorem taxes receivable | 156,309 | 151,710 |
| Prepaid insurance | | 3,572 |
| Capital assets, net of accumulated depreciation | 194,888 | 226,431 |
| Total assets | \$ 631,822 | \$ 595,642 |
| | | |
| LIABILITIES | | |
| | | |
| Current liabilities | \$ 4,712 | \$ 1,032 |
| Total liabilities | \$ 4,712 | \$ 1,032 |
| | | |
| NET ASSETS | | |
| | | |
| Investments in capital assets, net of related debt | \$ 194,888 | \$ 226,431 |
| Unrestricted | 432,222 | 368,179 |
| Total net assets | \$ 627,110 | \$ 594,610 |

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
December 31, 2010

The Fire District's net assets increased \$32,500 during the year ended December 31, 2010. The following schedule compares revenues and expenses for the current and previous year.

Total revenues increased by 3.37 percent (\$7,280) from last year. Approximately 80 percent of the Fire District's total revenues come from property taxes and 14 percent from other state sources. The general revenues totaled \$216,655 or 97.02% of total revenue.

Ad valorem tax revenue in the Fire District increased by \$4,682, or 2.69%, reflecting an increase in the property tax revenue.

Expenses of the Fire District increased \$ 23,422 (13.99%) from \$167,377 in 2009 to \$190,799 in 2010. Depreciation expense, included as a public safety expense, represented 26.14% (\$49,876) of total expenses in 2010 and 33.47% (\$56,022) in 2009.

A Summary of Statement of Activities is as follows:

| | Governmental Activities | |
|----------------------------|-------------------------|-------------------|
| | 2010 | 2009 |
| Program Revenues: | | |
| Contributions | \$ 6,644 | \$ 8,218 |
| General Revenues: | | |
| Ad Valorem Taxes | 178,646 | 173,964 |
| Intergovernmental revenues | 30,940 | 30,707 |
| Interest income | 3,385 | 3,095 |
| Other Revenue | 3,684 | 35 |
| Total revenues | <u>223,299</u> | <u>216,019</u> |
| Expenses | | |
| Public Safety | 190,799 | 167,377 |
| Total expenses | <u>190,799</u> | <u>167,377</u> |
| Increases in net assets | 32,500 | 48,642 |
| Net Assets beginning | 594,610 | 545,968 |
| Net Assets, ending | <u>\$ 627,110</u> | <u>\$ 594,610</u> |

FINANCIAL ANALYSIS OF THE FIRE DISTRICT'S GOVERNMENT FUNDS

For the year ended December 31, 2010, differences between the government-wide presentation and the fund financial statements were due to acquisition of capital outlays, depreciation changes associated with capital assets, prepaid insurance, and deferred property tax revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fire District adopted a budget for its General Fund for the year ended December 31, 2010. The budget was amended during year. Actual revenues were \$45,418 over the final budget. Actual expenses were under budget \$15,750.

DEBT ADMINISTRATION

Grant Parish Fire Protection District No. 5 has no debt outstanding.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
December 31, 2010

CAPITAL ASSETS

The Fire District acquired \$18,332 in capital assets in 2010. This was for the purchase of a jaws-of-life and a 2003 International 4300 truck.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary revenue source for the Fire District is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident. The budget for year 2011 should not change significantly from the year 2010 budget.

CONTACTING THE FIRE DISTRICT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the finances for those funds maintained by the Grant Parish Fire Protection District No. 5 and to show the Fire District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact A. D. Futrell, Board Chairman, at P. O. Box 147, Pollock, Louisiana, 71467.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5**Pollock, Louisiana****STATEMENT OF NET ASSETS**

December 31, 2010

| | <u>GOVERNMENTAL ACTIVITIES</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 280,625 |
| Ad valorem taxes receivable | 156,309 |
| Capital assets, net of depreciation | <u>194,888</u> |
| TOTAL ASSETS | \$ 631,822 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | \$ 3,122 |
| Payroll taxes payable | 1,590 |
| Total current liabilities | <u>4,712</u> |
| TOTAL LIABILITIES | \$ 4,712 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | \$ 194,888 |
| Unrestricted | <u>432,222</u> |
| TOTAL NET ASSETS | \$ 627,110 |

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
STATEMENT OF ACTIVITIES
For Year Ended December 31, 2010

| Activities | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Assets |
|-------------------------------|------------|-------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | | |
| Public safety- fire | \$ 190,799 | \$ | \$ | \$ 6,644 | \$ (184,155) |
| Total Governmental Activities | \$ 190,799 | \$ | \$ | \$ 6,644 | \$ (184,155) |

General Revenues:

| | |
|------------------------|------------|
| Ad valorem taxes | 178,646 |
| State revenue sharing | 17,071 |
| Interest earnings | 3,385 |
| Fire insurance rebate | 13,869 |
| Other revenue | 3,684 |
| Total General Revenues | 216,655 |
| Change in Net Assets | 32,500 |
| Net Assets Beginning | 594,610 |
| Net Assets Ending | \$ 627,110 |

FUND FINANCIAL STATEMENTS

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5**Pollock, Louisiana****BALANCE SHEET - GOVERNMENTAL FUNDS**

December 31, 2010

| | <u>GENERAL FUND</u> |
|--|--------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 280,625 |
| Ad valorem taxes receivable | 156,309 |
| TOTAL ASSETS | <u>\$ 436,934</u> |
| LIABILITIES AND FUND BALANCES | |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable | \$ 3,122 |
| Payroll taxes payable | 1,590 |
| Deferred ad valorem revenue | 3,094 |
| Total Liabilities | <u>7,806</u> |
| Fund Balance: | |
| Unreserved, undesignated | 429,128 |
| Total Fund Balance | <u>429,128</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 436,934</u> |

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
December 31, 2010

Total Net Assets reported for Governmental Activities in the Statement of Net Assets are different because:

| | |
|--|--------------------------|
| Fund Balances, Total Governmental Funds, Statement C | \$ 429,128 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds | 194,888 |
| Certain long-term assets are not available to pay current period expenditures, therefore are deferred in governmental funds | <u>3,094</u> |
| Net Assets of Governmental Activities, Statement A | <u><u>\$ 627,110</u></u> |

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5**Pollock, Louisiana****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE****OF GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2010

| | GENERAL FUND |
|--|-------------------|
| Revenues: | |
| Ad valorem taxes | \$ 181,165 |
| Intergovernmental revenue--state funds | |
| State revenue sharing | 17,071 |
| Fire insurance rebate | 13,869 |
| Contributions | 6,644 |
| Other revenues | 3,684 |
| Interest income | 3,385 |
| Total Revenues | <u>225,818</u> |
| Expenditures: | |
| Current: | |
| Public safety-fire | 137,352 |
| Capital outlay | 18,332 |
| Total Expenditures | <u>155,684</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>70,134</u> |
| | |
| Fund balance, beginning of year | 358,994 |
| Fund balance, end of year | <u>\$ 429,128</u> |

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:

| | | |
|---|----|--------|
| Net Change in Fund Balance, Total Governmental Funds, Statement E | \$ | 70,134 |
|---|----|--------|

Governmental funds report expenses that involve payments with current financial resources, such as insurance, in the year in which it is paid. In the Statement of Activities, payments that are attributable to current periods are recognized.

(3,571)

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds:

| | | |
|--|--|----------|
| Capital outlays (\$18,332) are less than depreciation expense (\$49,876) | | (31,544) |
|--|--|----------|

Because of the timing of actual receipt, some revenues are not considered "available" to pay current obligations and are not reported in the Government-Wide statements:

| | | |
|-------------------------------------|--|---------|
| Change in deferred ad valorem taxes | | (2,519) |
|-------------------------------------|--|---------|

| | | |
|--|----|--------|
| Change in Net Assets of Governmental Activities, Statement B | \$ | 32,500 |
|--|----|--------|

NOTES TO THE FINANCIAL STATEMENTS

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5

Pollock, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2010

INTRODUCTION

Grant Parish Fire Protection District No. 5 was created by the Grant Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on December 10, 1981. The Fire District is responsible for maintaining and operating fire stations and equipment, and providing fire protection and rescue services to approximately 6,000 residents in southeast Grant Parish. The Fire District is governed by a five-member board appointed in accordance to LRS 40:1496 as follows: two members by the Police Jury, two members by the Town of Pollock, and one, the chairman, by the other four members. Board members serve without compensation. The Fire District is staffed by one employee and 32 volunteers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Grant Parish Fire Protection District No. 5 have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, The Grant Parish Police Jury is the financial reporting entity for Grant Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 54 established criteria for determining which component units should be considered part of the Grant Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the Police Jury created the Fire District and has the ability to impose its will on the Fire District, the Fire District was determined to be a component unit of the Grant Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Fire District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5

Pollock, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Fire District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Fire District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The one fund of the Fire District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Fire District has only one fund, a governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major governmental fund of the Fire District is described below:

General Fund

The General Fund is the principal fund of the Fire District and is used to account for the operations of the Fire District. General operating expenditures are paid from this fund

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5

Pollock, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net assets.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Property taxes are recognized in the year in which the taxes are billed. Intergovernmental revenues and grants are recognized when received. Interest income on deposits are recorded monthly when the interest is earned and credited to the account.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY

Cash and Interest-bearing Deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Fire District. Under state law, the Fire District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fire District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|------------------------|------------|
| Buildings | 40 years |
| Firefighting equipment | 5-10 years |
| Fire trucks | 15 years |
| Station equipment | 5-10 years |
| Furniture and fixtures | 5-20 years |

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5

Pollock, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING

The Fire District is required by state law to adopt an annual budget. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

A proposed budget is prepared by the governing board in November and made available for public inspection no later than 15 days prior to December 31, of each year. In open meeting prior to December 31, the budget is adopted and becomes part of the official minutes of the Fire District. The proposed budget for the General Fund is prepared on the modified accrual basis of accounting.

Once a budget is approved, it can be amended by approval of a majority of the Board. Amendments are presented at a regular open meeting for Board approval. The Fire District's original budget was accepted December 12, 2009. The budget was amended during the year on November 17, 2010. Total actual revenues exceeded budgeted revenues and actual expenditures did not exceed budgeted amounts, therefore the Fire District is in compliance with Louisiana Revised Statute 39:1310 or the Local Government Budget Act.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Fire District recognizes uncollectible ad valorem tax receivables as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. The District feels that at this time there is no need for an allowance for doubtful accounts.

2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2010, the Fire District has cash and cash equivalents totaling \$280,625 (book balance).

The cash of the Grant Parish Fire Protection District No. 5 is subject to the following risks:

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement of the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Fire District that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Fire District's name.

At December 31, 2010, the Fire District had \$275,547 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance, and the remaining \$25,547 is not adequately pledged.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5**Pollock, Louisiana****NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2010

3. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2010, are as follows:

| <u>Governmental Activities</u> | <u>Balance 1/1/2010</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 12/31/2010</u> |
|--------------------------------|-----------------------------|--------------------|------------------|-------------------------------|
| Buildings | \$ 120,551 | \$ | | \$ 120,551 |
| Vehicles | 637,047 | | | 637,047 |
| Equipment | 346,219 | 18,332 | | 364,551 |
| Total | <u>1,103,817</u> | <u>18,332</u> | | <u>1,122,149</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 46,210 | 3,948 | | 50,158 |
| Vehicles | 523,484 | 23,428 | | 546,912 |
| Equipment | 307,691 | 22,500 | | 330,191 |
| Total | <u>877,385</u> | <u>49,876</u> | | <u>927,261</u> |
| Capital Assets, Net | \$ <u>226,431</u> | \$ <u>(31,544)</u> | | \$ <u>194,888</u> |

Depreciation expense of \$49,876 was charged to the public safety function.

4. LEVIED TAXES

The Fire District levies taxes on real and business property located within the boundaries of the Fire District. Property taxes are levied by the Fire District on property values assessed by the Grant Parish Tax Assessor and approved by the State of Louisiana Tax Commission. The Grant Parish Sheriff's office bills and collects property taxes for the Fire District. Collections are remitted to the Fire District monthly. The Fire District recognizes property tax revenues when levied.

The property tax calendar:

| | |
|----------------------------|-------------------|
| Assessment date | January 1, 2010 |
| Levy date | June 30, 2010 |
| Tax bills mailed | October 15, 2010 |
| Total taxes are due | December 31, 2010 |
| Penalties & interest added | January 31, 2011 |
| Tax sale | May 15, 2011 |

The Fire District has authorized ad valorem tax millage and levied taxes of 14.32 mills for 2010. This revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. This millage is dedicated for acquisition, construction and maintenance. Total assessed value in the Fire District was \$20,085,421 in 2010. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$7,610,110 in 2010. Total of ad valorem tax revenues recognized in 2010 by the Fire District was \$181,165.

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5**Pollock, Louisiana****NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2010

4. LEVIED TAXES (continued)

The following are the principal taxpayers for the Fire District (2010 amounts):

| TAXPAYER | TYPE OF BUSINESS | ASSESSED VALUATION | % OF TOTAL ASSESSED VALUATION | AD VALOREM TAX REVENUE FOR FIRE DISTRICT |
|-----------------------------|------------------|--------------------|-------------------------------|--|
| Hunt Forest Products, Inc. | Manufacturer | \$ 2,255,107 | 11.23% | \$ 20,340 |
| Trunkline Gas Co. | Oil & Gas | 1,833,545 | 9.13% | 16,538 |
| Cleco Power | Utility | 1,112,670 | 5.54% | 10,036 |
| Union Pacific Railroad Co. | Railroad | 717,260 | 3.57% | 6,469 |
| Bellsouth Telecoms | Utility | 640,948 | 3.19% | 5,781 |
| Texas Gas Transmission | Oil & Gas | 460,680 | 2.29% | 4,155 |
| Centennial Pipeline LLC | Oil & Gas | 342,233 | 1.70% | 3,087 |
| Martin, Roy O. Land Co. LLC | Manufacturer | 160,284 | 0.80% | 1,446 |
| Cebridge Acquisition, LP | Communications | 136,054 | 0.68% | 1,227 |
| Martin, Roy O. LBR Co. LLC | Manufacturer | 125,525 | 0.62% | 1,132 |
| Total | | \$ 7,784,306 | 38.76% | \$ 70,212 |

5. RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to limited torts, theft of or damage to and destruction of asset and errors and omissions. To handle some of the risk, the Fire District maintains surety bond coverage. No settled claims from these risks have exceeded insurance coverage in the last three years. There were no significant changes to insurance coverage during the year ended December 31, 2010.

6. LITIGATIONS

There is no litigation pending against the Fire District, at December 31, 2010, nor is it aware of any unasserted claims.

7. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. No related party transactions were made during the year.

8. LONG-TERM DEBT

The Fire District has no debt for the year ended December 31, 2010.

9. COMPENSATION PAID TO BOARD MEMBERS

The members of the Board of Commissioners of the Fire District receive no compensation for their services.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5**Pollock, Louisiana****BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended December 31, 2010

| | Budgeted Amounts | | Actual | Budget to Actual |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | Positive(Negative) |
| Revenues: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 150,000 | \$ 150,000 | \$ 181,165 | \$ 31,165 |
| State revenue sharing | 10,000 | 10,000 | 17,071 | 7,071 |
| Fire insurance rebate | 14,000 | 14,000 | 13,869 | (131) |
| Other Revenues | 500 | 500 | 3,684 | 3,184 |
| Contributions | 5,000 | 5,000 | 6,644 | 1,644 |
| Interest Income | 900 | 900 | 3,385 | 2,485 |
| Total Revenues | <u>180,400</u> | <u>180,400</u> | <u>225,818</u> | <u>45,418</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 160,990 | 171,434 | 137,352 | 34,082 |
| Capital outlay | | | 18,332 | (18,332) |
| Total Expenditures | <u>160,990</u> | <u>171,434</u> | <u>155,684</u> | <u>15,750</u> |
| Excess of Revenues over Expenditures | <u>19,410</u> | <u>8,966</u> | <u>70,134</u> | <u>61,168</u> |
| Net Change in Fund Balance | <u>8,966</u> | <u>8,966</u> | <u>70,134</u> | |
| Fund Balance at Beginning of Year | <u>358,994</u> | <u>358,994</u> | <u>358,994</u> | |
| Fund Balance at End of Year | <u>\$ 367,960</u> | <u>\$ 367,960</u> | <u>\$ 429,128</u> | |

GRANT PARISH FIRE PROTECTION DISTRICT NO. 5
Pollock, Louisiana
NOTES TO BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2010

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. Budgets for most governmental funds are adopted annually on the cash basis of accounting. The budget comparison schedules present the original adopted budget and the final amended budget. The District amended their budget once during the year.

For the year ended December 31, 2010, actual revenues exceeded budgeted amounts by \$45,418 or 20% and expenditures were less than appropriations in the General Fund by \$15,750 or 9%.

The District is in compliance with the Local Government Budget Act R.S. 39:1301-1316 and the budget requirements of R.S. 39-1331-1342.

**OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL
AUDIT GUIDE**

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Grant Parish Fire Protection District No. 5
Pollock, LA 71467

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Grant Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Grant Parish Fire Protection District No. 5's compliance with certain laws and regulations during the year ended December 31, 2010, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Grant Parish Fire Protection District No. 5 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures for material and supplies exceeding \$30,000 or public works exceeding \$150,000 were made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list. The Fire District only employs one office manager.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The Fire District's one employee [agreed-upon procedure (3)] did not appear on the list provided by management in agreed upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. The budget was amended during the year.

6. Trace the budget adoption and amendments to the minute book.

The Board adopted the original budget on December 12, 2009 with no opposing votes. It was amended November 17, 2010.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more and if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenue and expenditures. Budgeted revenues for the year did not exceed actual amounts by more than 5% nor did actual expenditures exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

All checks were supported by proper documentation as to proper amount and payee.

(b) determine if payments were properly coded to the correct fund and general ledger account;

The payments were found to be coded to the correct fund and general ledger accounts.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals from board members.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:4.1 through 42:13 (the open meeting law).

The Grant Parish Fire Protection District No. 5 is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has asserted that such documents were properly posted, copies of agendas were in the files.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

None noted.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

In my review of the cash disbursements and payroll records for the year, I noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Other Findings and Comments

12. Explain any other findings or comments.

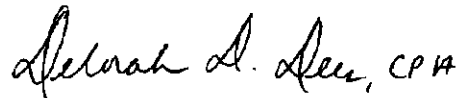
The funds collected in the Fire District's bank, Colfax Banking Company, exceed Federal Deposit Insurance (\$250,000) by \$25,547. The district is in violation of Louisiana RS 39:1219 and 39:1225.

Recommendation: The Fire District should contact Colfax Banking Company and have their excess funds pledged.

Management comment. Management will monitor cash levels and maintain pledging for funds in excess of FDIC insurance.

I was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Grant Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Deborah D. Dees, CPA
Mansfield, Louisiana
June 22, 2010

LOUISIANA ATTESTATION QUESTIONNAIRE

April 19, 2011

Deborah D. Dees, CPA
122 Jefferson Street
Mansfield, LA 71052

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 15, 2010.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 78-729.

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

| | | | |
|-------------------------------|-----------|----------------|------|
| <u><i>Tracy Slaughter</i></u> | Secretary | <u>4/25/11</u> | Date |
| <u><i>Dina Monnier</i></u> | Treasurer | <u>5/16/11</u> | Date |
| <u><i>A.D. Fittrell</i></u> | President | <u>4/25/11</u> | Date |